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7 UNITED STATES DISTRICT COURT
8 WESTERN DISTRICT OF WASHINGTON
9 AT SEATTLE

10 NXP USA, INC., and NXP B.V.,

11 Plaintiffs,

12 v.

13 IMPINJ, INC.,

14 Defendant.
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Case No. C20-1503-RSM-MAT

ORDER DENYING OBJECTIONS TO
MAGISTRATE JUDGE ORDER DKT. #79

16 This matter comes before the Court on Defendant Impinj, Inc.'s Objections to
17 Magistrate Judge Theiler's Order granting in part and denying in part its Motion for Leave to
18 File Amended Answer. Dkt. #84; Dkt #85-1 (amended version). On February 12, 2021, Judge
19 Theiler issued an Order that, *inter alia*, granted leave for Impinj to file an amended answer but
20 denied leave for it to add counterclaims. Dkt. #79. In relevant part, Judge Theiler wrote:
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22 Impinj also seeks leave to file an amended answer pleading a
23 license as a defense to four of NXP's allegedly infringed patents
24 and adding counterclaims that NXP has infringed eight of Impinj's
25 patents. (Dkt. 63.) The request to add the defense is appropriate in
26 light of Impinj's contention that, if found a beneficiary to a licence
27 agreement, Impinj could not be found to have infringed on four
28 patents. *See* 35 U.S.C. § 271(a) ("whoever without authority
makes, uses, offers to sell, or sells any patented invention, within
the United States or imports into the United States any patented
invention during the term of the patent therefor, infringes the

1 patent”) (emphasis added). The Court is otherwise not persuaded
2 by the request for leave to amend. It is true that, pursuant to
3 Federal Rule of Civil Procedure 15(a)(2), “[t]he court should freely
4 give leave [to amend] when justice so requires.” However, like the
5 judge overseeing Impinj’s suit against NXP currently pending in
6 the Northern District of California, *see Impinj, Inc. v. NXP USA,*
7 *Inc.*, C19-3161-YGR (N.D. Cal.) (Dkt. 33), this Court has a strong
8 interest in keeping the number of patents at issue to a manageable
9 level. Depending on the outcome of PTO proceedings, this matter
10 may require the Court’s adjudication of claims associated with
11 eight patents. There is no question a doubling of the number of
12 allegedly infringed patents would substantially increase the
13 complexity and difficulty of litigation and the Court’s ability to
14 manage this matter and resolve the parties’ disputes expeditiously.
15 The Court, as such, GRANTS in part and DENIES in part Impinj’s
16 Motion for Leave to File Amended Answer.

17 *Id.* at 2.

18 Impinj brings this Motion under Rule 72(a). Rule 72(a) allows a party whose case is
19 before a magistrate judge to “serve and file objections” to an order addressing nondispositive
20 matters. These objections are to be heard by the district judge in the case, who is to “modify or
21 set aside any part of the order that is clearly erroneous or is contrary to law.” Fed. R. Civ. P.
22 72(a).

23 Impinj essentially argues that Judge Theiler’s ruling was clearly erroneous and contrary
24 to law because she based her decision on “complexity alone” and failed to “address the issue of
25 prejudice.” Dkt. #85-1 at 5. Impinj also maintains that:

26 ...the concerns about complexity are premature because there are
27 currently only two patents at issue, and there is a strong likelihood
28 that most or all of the remaining patents will be dismissed based on
an imminent summary judgment motion and/or the pending IPRs.
In addition, complexity is a factor relevant to case management,
not motions to amend. Courts routinely oversee cases with many
more patents than in this case, and there are various case
management procedures used to reduce complexity. Finally,
Impinj is willing to proceed with only four patents to reduce this
concern.

1 *Id.* Impinj argues that judicial economy is best served here “by litigating patents between the
2 parties relating to the same technology in one case.” *Id.*

3 The Court ordered a response from Plaintiff NXP. NXP’s position is that Judge Theiler
4 *did* address prejudice to NXP in her statements about complexity—injecting complexity would
5 prejudice NXP, as argued by NXP in prior briefing before Judge Theiler. Dkt. #90 at 7; *see*
6 *also* Dkt #70 at 9–12. NXP also maintains that Judge Theiler’s ruling makes pragmatic sense
7 because “Impinj’s proposed counterclaims cover aspects of RFID technology different than
8 those claimed in NXP’s patents, and accuse different products (NXP’s) than the Impinj
9 products already accused in this case,” thus injecting “unnecessary complexity” and that this
10 would “effectively combine two patent infringement trials into one, add a substantial risk of
11 jury confusion, and very likely require an extension of the Order Setting Trial Date and Related
12 Dates...” *Id.* at 7.

15 The Court need not run through the entire complex background of this case and parallel
16 litigation in California. The parties are litigating the infringement of each other’s patents in
17 multiple forums, and have shuffled the litigation of these patents around between forums. The
18 Court shares Judge Theiler’s concerns over managing the complexity of this action, which was
19 originally filed in Delaware in October of 2019.

21 The Court finds that Impinj has failed to demonstrate clear error in fact or law. The
22 Court agrees with NXP that Judge Theiler inherently addressed prejudice to NXP in her Order
23 when she wrote that the counterclaims would add to “the complexity and difficulty of
24 litigation.” She was clearly referring to NXP’s briefing on the subject, of which Impinj was
25 well aware. As Impinj would concede, undue prejudice to NXP is a valid basis to deny a
26 motion to amend under Rule 15(a). Judge Theiler was not required to offer more analysis, and
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1 this Court is not going to offer Impinj a second opportunity to make the same arguments about
2 prejudice that were already properly reviewed by Judge Theiler. Given this, the Court finds
3 that the instant objections should be overruled. The remainder of Impinj's arguments are an
4 attempt to convince the Court that Judge Theiler *should* have ruled differently for pragmatic
5 reasons. Such is not a valid basis for Rule 72(a) objections. In any event, the Court agrees
6 with Judge Theiler's pragmatic analysis of this case.
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8 Accordingly, having reviewed the relevant briefing, the declarations and exhibits
9 attached thereto, and the remainder of the record, the Court hereby finds and ORDERS that
10 Defendant Impinj's Objections to Magistrate Order, Dkt. #84, is DENIED. This matter
11 continues to be referred to Judge Theiler.
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14 DATED this 30th day of April, 2021.
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18 RICARDO S. MARTINEZ
19 CHIEF UNITED STATES DISTRICT JUDGE
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